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## State of Utah Department of Commerce Division of Securities

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### NEWS RELEASE

July 17, 2006

#### **Nevada Real Estate Promoter Will Refund Investments, Pay Fine** ***Company sells first trust deeds to investors; failed to give adequate disclosures . . .***

**SALT LAKE CITY, Utah** – Windemere Capital, LLC, a Las Vegas company, was ordered today to cease selling investments in real estates trust deeds without registering the offerings with the Utah Division of Securities. Windemere also will offer rescission to all its investors in Utah and will pay a \$5,000 fine. The Division entered the order with the consent of Windemere.

According to the Division's order, Windemere advertised to sell investments in first trust deeds from an office in Midvale, Utah. The advertisements purported to limit investments to accredited investors (those with high net worth), but in fact sold the investments to Utah residents who did not meet these standards. Seventeen Utah investors purchased \$2,565,000 in trust deeds from Windemere.

The Order also alleges that Windemere failed to give adequate information to the investors about the company and its profitability. Windemere's solicitations claim that investments are personally guaranteed, but inadequate information was given about the ability of the guarantors' ability to cover any losses. The Division also alleges that Windemere put the burden on investors to verify information, rather than giving the investors adequate information up front. The Order concludes that Windemere sold securities that were not registered, as required, and that the company failed to give adequate disclosures to investors.

Without admitting or denying the violations, Windemere consented to an order prohibiting the company from offering or selling these investments in Utah unless they are registered with the Division, prohibiting sales except through licensed agents, and requiring that the company give full disclosure to investors in any future offerings in Utah. Windemere has closed its Utah office and will offer refunds to all Utah investors. Finally, Windemere will pay a fine of \$5,000.